

LEGISLATURE OF NEBRASKA

ONE HUNDRED FIRST LEGISLATURE

FIRST SESSION

**LEGISLATIVE BILL 248**

Introduced by Dubas, 34; Cornett, 45.

Read first time January 14, 2009

Committee: Revenue

A BILL

1 FOR AN ACT relating to relating to income tax; to amend section  
2 77-2715.07, Revised Statutes Cumulative Supplement, 2008;  
3 to change provisions relating to income tax credits; to  
4 provide an operative date; and to repeal the original  
5 section.

6 Be it enacted by the people of the State of Nebraska,

1           Section 1. Section 77-2715.07, Revised Statutes  
2 Cumulative Supplement, 2008, is amended to read:

3           77-2715.07 (1) There shall be allowed to qualified  
4 resident individuals as a nonrefundable credit against the income  
5 tax imposed by the Nebraska Revenue Act of 1967:

6           (a) A credit equal to the federal credit allowed under  
7 section 22 of the Internal Revenue Code; and

8           (b) A credit for taxes paid to another state as provided  
9 in section 77-2730.

10          (2) There shall be allowed to qualified resident  
11 individuals against the income tax imposed by the Nebraska Revenue  
12 Act of 1967:

13          (a) ~~For returns filed reporting federal adjusted gross~~  
14 ~~incomes of greater than twenty-nine thousand dollars, a A~~  
15 nonrefundable credit equal to twenty-five percent of the federal  
16 credit allowed under section 21 of the Internal Revenue Code of  
17 1986, as amended;

18          ~~(b) For returns filed reporting federal adjusted gross~~  
19 ~~income of twenty-nine thousand dollars or less, a refundable credit~~  
20 ~~equal to a percentage of the federal credit allowable under section~~  
21 ~~21 of the Internal Revenue Code of 1986, as amended, whether or~~  
22 ~~not the federal credit was limited by the federal tax liability.~~  
23 ~~The percentage of the federal credit shall be one hundred percent~~  
24 ~~for incomes not greater than twenty-two thousand dollars, and~~  
25 ~~the percentage shall be reduced by ten percent for each one~~

1 ~~thousand dollars, or fraction thereof, by which the reported~~  
2 ~~federal adjusted gross income exceeds twenty-two thousand dollars,~~

3       ~~(e)~~ (b) A refundable credit for individuals who qualify  
4 for an income tax credit as an owner of agricultural assets under  
5 the Beginning Farmer Tax Credit Act for all taxable years beginning  
6 or deemed to begin on or after January 1, 2001, under the Internal  
7 Revenue Code of 1986, as amended; and a refundable credit as  
8 provided in section 77-5209.01 for individuals who qualify for an  
9 income tax credit as a qualified beginning farmer or livestock  
10 producer under the Beginning Farmer Tax Credit Act for all taxable  
11 years beginning or deemed to begin on or after January 1, 2006,  
12 under the Internal Revenue Code of 1986, as amended;

13       ~~(d)~~ (c) A refundable credit for individuals who  
14 qualify for an income tax credit under the Nebraska Advantage  
15 Microenterprise Tax Credit Act or the Nebraska Advantage Research  
16 and Development Act; and

17       ~~(e)~~ (d) A refundable credit equal to ~~ten~~ thirteen percent  
18 of the federal credit allowed under section 32 of the Internal  
19 Revenue Code of 1986, as amended.

20       (3) There shall be allowed to all individuals as a  
21 nonrefundable credit against the income tax imposed by the Nebraska  
22 Revenue Act of 1967:

23       (a) A credit for personal exemptions allowed under  
24 section 77-2716.01;

25       (b) A credit for contributions to certified community

1 betterment programs as provided in the Community Development  
2 Assistance Act. Each partner, each shareholder of an electing  
3 subchapter S corporation, each beneficiary of an estate or trust,  
4 or each member of a limited liability company shall report his or  
5 her share of the credit in the same manner and proportion as he  
6 or she reports the partnership, subchapter S corporation, estate,  
7 trust, or limited liability company income; and

8 (c) A credit for investment in a biodiesel facility as  
9 provided in section 77-27,236.

10 (4) There shall be allowed as a credit against the income  
11 tax imposed by the Nebraska Revenue Act of 1967:

12 (a) A credit to all resident estates and trusts for taxes  
13 paid to another state as provided in section 77-2730; and

14 (b) A credit to all estates and trusts for contributions  
15 to certified community betterment programs as provided in the  
16 Community Development Assistance Act.

17 (5)(a) For all taxable years beginning on or after  
18 January 1, 2007, and before January 1, 2009, under the Internal  
19 Revenue Code of 1986, as amended, there shall be allowed to each  
20 partner, shareholder, member, or beneficiary of a partnership,  
21 subchapter S corporation, limited liability company, or estate or  
22 trust a nonrefundable credit against the income tax imposed by  
23 the Nebraska Revenue Act of 1967 equal to fifty percent of the  
24 partner's, shareholder's, member's, or beneficiary's portion of the  
25 amount of franchise tax paid to the state under sections 77-3801 to

1 77-3807 by a financial institution.

2 (b) For all taxable years beginning on or after January  
3 1, 2009, under the Internal Revenue Code of 1986, as amended,  
4 there shall be allowed to each partner, shareholder, member, or  
5 beneficiary of a partnership, subchapter S corporation, limited  
6 liability company, or estate or trust a nonrefundable credit  
7 against the income tax imposed by the Nebraska Revenue Act of 1967  
8 equal to the partner's, shareholder's, member's, or beneficiary's  
9 portion of the amount of franchise tax paid to the state under  
10 sections 77-3801 to 77-3807 by a financial institution.

11 (c) Each partner, shareholder, member, or beneficiary  
12 shall report his or her share of the credit in the same manner  
13 and proportion as he or she reports the partnership, subchapter S  
14 corporation, limited liability company, or estate or trust income.  
15 If any partner, shareholder, member, or beneficiary cannot fully  
16 utilize the credit for that year, the credit may not be carried  
17 forward or back.

18 Sec. 2. This act becomes operative for all taxable years  
19 beginning or deemed to begin on or after January 1, 2009, under the  
20 Internal Revenue Code of 1986, as amended.

21 Sec. 3. Original section 77-2715.07, Revised Statutes  
22 Cumulative Supplement, 2008, is repealed.